

PART VII

Farm Marketing and Level of Living

Location for Marketing

San Juan County has a disadvantageous location for agricultural marketing in the Pacific Northwest region and nationally. Higher transportation costs imposed by an island position in the northwestern corner of the state and nation are not prohibitive, but they are a handicap in competition with mainland agricultural areas producing the same crops and livestock products. Island producers of such commercial products as cattle, milk, eggs, chickens, lambs and forest products must absorb extra costs of trucking and ferrying to processing plants and terminal markets. On the other hand, they are at an advantage in local marketing in the island area's towns and resorts. The local market is limited, nevertheless, with only 3,200 permanent residents and a summer tourist population which at any one time may not exceed 5,000 persons. In recent years, the area has had surpluses of dairy products, poultry products and livestock and other perishables which must be placed on mainland markets.

In terms of distance and time the islands are not in a restrictive location. By means of ferries none of the island farms are more than a half-day from urban centers and terminal markets such as Bellingham, Anacortes, Mount Vernon, Everett and Seattle. The islands are even nearer Canadian cities and towns on Vancouver Island, such as Victoria and Sidney, but trade potential there is limited to some degree by tariff duties which give Vancouver Island, Canadian farmers an advantage in these markets.

Transportation Facilities

San Juan County agriculture depends entirely on trucks and waterborne transportation for shipping commercial products to the mainland and between islands. A majority of commercial farmers own trucks and use roads on the islands and state ferries to reach markets. Key facilities are the scheduled ferries operated by Washington State Ferries. There is one ferry departure daily from Anacortes on the mainland which stops at the following island points: Upright Head (Lopez Island), Shaw Island, Orcas (Orcas Island) and Friday Harbor (San Juan Island). One island trip continues daily to Sidney, Vancouver Island, British Columbia. On holidays, Fridays and Sundays there is an extra ferry run daily to take care of tourist traffic. Ferry tolls on trucks carrying agricultural products are graduated and levied by gross weights of trucks. Farmer pick-up trucks hauling one ton between Friday Harbor and Anacortes have a rate of \$3.40 per vehicle including driver. A five ton truck pays \$4.60. A large van truck or trailer of 40,000 pounds or 20 tons is charged \$16.20. Freight costs by ferry between Friday Harbor and the mainland as an average exceed \$1.00 per ton for bulk cargo. Tolls are not collected by various rates on various commodities or by weight of a cargo. An empty truck has the same rate as a fully loaded truck.

In addition to the ferries, there is a franchised water freight service operated by Puget Sound Freight Lines which runs boats and barges and hauls bulky cargoes such as gasoline, explosives and construction materials. This

service is on an irregular schedule and calls at ports where its service is required. It makes island calls or deliveries on cargo which has a minimum weight of 40,000 pounds.

Agriculturally developed islands such as San Juan, Lopez, Orcas, Shaw, Decatur and Waldron each have a road network which connects with ferry terminals and boat landings. Roads enable farmers to market efficiently and with good mobility by truck and ferry to outlets in the islands or on the mainland. For the county as a whole there are 57 miles of hard-surfaced roads and 200 miles of gravelled and dirt roads accessible by trucks. In the last two decades nearly all farm products or farm supplies shipped or received inter-island or to and from the mainland have been by truck and ferry. In early years much freight was by small inland water vessels requiring costly transferring from wagons to boats and again from boats to wagons or trucks before the products reached a processor or ultimate consumer. The combination of trucks and modern ferries has given island farmers more mobility and market selection choice than they previously had.

Gross Income: Value of Products Sold

Census of Agriculture data on the value of farm products sold show that the trend of gross farm income has been downward in recent years. All San Juan County farms marketed products worth \$641,240 in 1954 compared with \$721,470

Total Value of Farm Products Sold in 1954: \$641,240

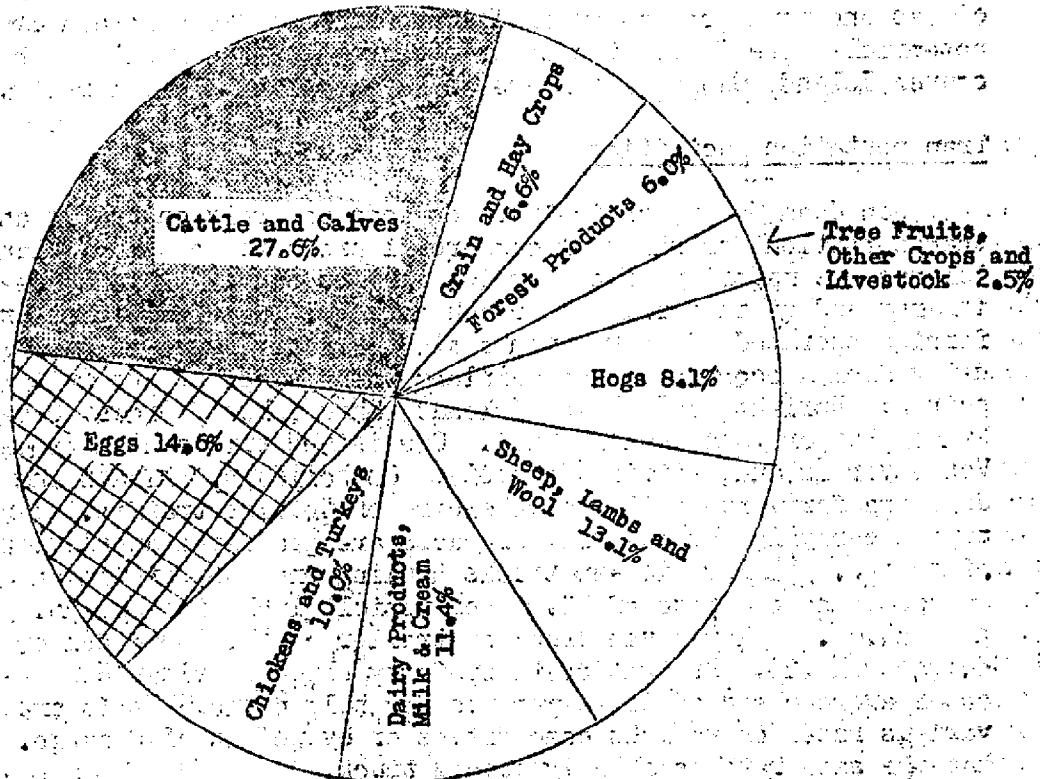


Figure 12.- Sources of Cash Income, San Juan County Farms, 1954

Source: U. S. Census, Agriculture

in 1949. Annual returns to farmers for cattle, poultry products, sheep, dairy products and other minor products decreased 11 percent since 1949. This decline in marketing was mainly in reduced gross returns for dairy products, forest products and grain crops. There was a gain in sales of livestock, poultry products and fruit.

Cattle and eggs are the leading two commodities sold from farms. Income from sales of farm products was divided up among 127 commercial farms in 1954. Slightly over one-third of all rural places defined as farms by the Census was classified as commercial operations selling \$250 or more worth of products during the year. Noncommercial farms numbered 200 and included 110 residential farms and 90 part-time farms where few or no agricultural products were sold. Low and medium income farms are characteristic of San Juan County agriculture. Most numerous commercial farms are Class IV units selling \$2,500 to \$5,000 worth of products per year. There were only six high income farms in Class I that exceeded sales of \$25,000 or more.

Marketing Eggs and Poultry

Poultry and eggs are second to live animals in commercial importance. Fresh eggs were the second leading dollar earner in the Census year of 1954 and accounted for over 14 percent of all farm income. Eggs were sold by over 60 farms and amounted to 232,590 dozen valued at \$93,800. Eggs are shipped to the mainland by patrons of Western Farmers Association to the cooperative's egg handling plants at Mount Vernon and Seattle for statewide distribution. Much of the egg production is sold locally at roadside and to retailers in towns and resorts, particularly in the summer season.

Live poultry and broilers were sold by about 40 farms in 1954 for total returns of \$62,500. Live chickens were the fifth most valuable commercial farm product. Most of this volume was 67,000 broilers sold from five farms valued at \$54,500. A few chickens were slaughtered locally for local markets but broilers were shipped alive for processing and marketing by the Western Farmers Association plants in Mount Vernon and Seattle. Turkeys were sold in minor volumes by 12 farms.

Marketing Dairy Products - Milk, Cream

In 1954 dairy products were the third most valuable commercial farm product. Most commercial dairymen were patrons of San Juan County Dairymen's Association which operates a plant at Friday Harbor. Factory and Grade A milk are shipped to this plant for bottling and processing into ice cream, butter and cheese and thence distributed over the islands. In addition, there is some whole milk vended from East Sound on Orcas Island. In 1954 milk and cream production was barely sufficient to supply the demand in the islands and some mainland dairy products and milk were shipped in.

Marketing Live Animals - Cattle, Sheep, Hogs

Livestock sold for slaughter, feeders and breeding stock is the leading source of farm income. Total cattle, sheep and hog sales in 1954 were over \$294,000 made by over 200 farms. Live cattle are the leading commercial farm product sold. In the last Census year about 120 farms sold 1,132 head of live

cattle valued at \$137,240 and 160 sold 823 head of calves valued at \$40,550. Sheep and lambs are the third most important dollar earner. In 1954, 4,630 head were sold off 86 farms for a gross return of \$64,360. Hogs ranked sixth in value in all farm sales, there being 1,880 head sold off 50 farms for a gross return of \$52,040.

Having a surplus of salable livestock, a considerable portion of finished or feeder beef cattle, dairy culls, vealers, lambs and hogs are trucked from the islands to auction and packing house yards on the mainland. Some are sold at community auction yards at Burlington and Sedro Woolley and to four state-inspected slaughter yards in western Skagit County. Over one-third of San Juan County's livestock sold are slaughtered at two state-inspected custom slaughter plants in San Juan County, most of this being on San Juan Island.

Table 24.- Livestock and Livestock Products Marketed
San Juan County, 1954

Class of Livestock Products Sold	Quantity Marketed	Amount Received By Farmers
<u>Dairy Products</u>		
Whole milk-----	950,720 lbs.	\$ 39,543
Butterfat-----	62,125 lbs.	33,305
Total all dairy products		\$ 72,848
<u>Poultry and poultry products</u>		
Chickens-----	76,247 birds	\$ 62,495
Eggs-----	232,590 dozen	93,808
Turkeys, ducks, geese----		1,641
Total all poultry & products		\$294,669
<u>Animals sold alive</u>		
Cattle-----	1,132 head	\$137,243
Calves-----	823 head	40,553
Hogs and pigs-----	1,879 head	52,042
Sheep and lambs-----	4,631 head	64,366
Horses and mules-----	5 head	465
Total all animals sold alive		\$294,669
<u>Other livestock and livestock products sold</u> -----		\$ 22,311
Total amount received for livestock and livestock products-----		\$547,772

Source: U. S. Census, Agriculture

Marketing Crops: Oats, Barley, Wheat, Hay, Fruit

Cash crops are of minor importance in San Juan County agricultural marketing. In 1954 total cash crop sales were \$55,205 and amounted to less than 7 percent of all farm product sales. Crop production is nearly all for livestock feed and crop value is realized in the sales of livestock and poultry. Much of fruit and vegetable production is also consumed on the farm and its value is realized in form of decreased expenses for food by island farm families.

Oats combined for grain was the most valuable commercial crop grown in 1954. Of a production of 38,900 bushels of oats harvested, about 15,400 bushels were put on the local market bringing in sales of over \$17,000. Oats were bought by local livestock and dairymen. Barley and wheat were important cash grain crops. Barley production was 25,700 bushels, with 9,850 bushels of surplus for sale. Most of this was sold within the islands for a total return of \$14,000. Wheat producers sold 2,000 bushels on the local market for returns of about \$4,000.

Hay was a minor cash crop on a few farms producing small surpluses of clover and timothy, grain hay and alfalfa. Leading local hay sales were in oat hay which exceeded a volume of 250 tons. All hay sold amounted to over 270 tons with a local market value of \$6,000.

Sales of berries and fruit were made locally to retailers, U-pickers and tourists. Total sales approximated \$11,940. Most important in this category were strawberries and apples put on local fresh markets or sold directly off farms. The last Census indicates that commercial sales of fresh and processing vegetables and specialty products such as flowers, plants and seeds were relatively minor, being less than \$600.

Table 25.- Crops Marketed From San Juan County Farms, 1954

Type of Crop Sold	Amount Received By Farmers (Dollars)	Percent All Crops Sold
Field Crops (oats, barley, wheat, hay)	\$42,606	77.2
Fruits, Nuts and Berries (apples, pears, cherries, strawberries and other berries)	11,939	21.6
Horticultural Specialties (flower and vegetable seeds, plants, bulbs, etc.)	500	.9
Vegetables (sweet corn, green peas, snap beans, cabbage, etc.)	160	.3
Total amount received by farmers for cash crops	\$55,205	100.0

Source: U. S. Census, Agriculture

Marketing Forest Products

In the last 20 years, forest products from farmer-owned woodlands have become an important part of San Juan County's farming economy. Here, as throughout the Douglas fir forest belt of western Washington, the farm forest crop of sawlogs, pulpwood, fuelwood, poles, fence posts, Christmas trees and greenery has gained in value. Marketed products in 1954 were estimated at \$38,265 from 26 farms. Main items sold are sawlogs, pulpwood and piling which are mainly rafted or trucked to numerous large mills on Puget Sound and the Straits of Juan de Fuca and to small local mills. Fuelwood and poles also find good local markets in towns, resorts and camping areas. Former fuelwood markets at lime kilns and at steamboat landings, however, have almost disappeared. In recent years small mills located at Friday Harbor, Deer Harbor and Olga have bought appreciable volumes of timber from farmers.

Table 26.- Forest Products on Farms
San Juan County, 1954

Type of Product	Farms Reporting	Quantity
Firewood and fuelwood cut-----	102	1,562 cords
Fence posts cut-----	24	3,793 posts
Sawlogs and veneer logs cut-----	20	2,187 M bd. ft.
Pulpwood cut-----	2	115 cords
Total value of farm forest products-----		\$38,265

Source: U. S. Census, Agriculture

Specified Farm Expenditures

San Juan County farmers who reported expenditures in 1954 spent \$292,287 for six major types of services and goods used in crop and livestock production. Chief farming expense was for labor. There were 137 farms using hired labor on livestock, dairy, poultry and general farms and their labor costs averaged \$753 per farm. Feed for livestock and poultry was the second largest expense. Feed, much of it milled and prepared feeds brought in from the mainland was bought by 231 farms that averaged \$4.02 each and spent a total of \$93,000. Over 120 farms spent a total of \$43,000 for machine hire and custom farm work such as plowing, seeding, grain combining and hay harvesting. Gasoline and petroleum products for trucks and tractors amounted to over \$40,000. Compared with 1949 costs for labor, feed, petroleum products, machinery and fertilizer were greater because of advances in farm wage rates and prices of supplies. Servicing and supplying San Juan County's 327 farms is an important basis of local business in Friday Harbor, Lopez and East Sound. Some of this business is also done by suppliers in Anacortes and Mount Vernon.

Table 27.- Specified Farm Expenditures in 1954, San Juan County

Type of Expenditure	Number of Farms Reporting	Expenditure of	Average Per Farm
Machine hire.....	127	\$ 43,122	\$339.50
Hired labor.....	137	103,150	753.00
Feed for livestock and poultry	231	93,105	402.50
Gasoline, petroleum fuel & oil	192	40,030	208.50
Commercial fertilizer.....	31	12,935	417.00
Lime and liming materials.....	5	35	7.00
Total production costs....		\$292,287	

Source: U. S. Census, Agriculture

Agricultural Income Compared to Other Income Sources

On the basis of income from farm property and wages earned, agriculture has a minor position in the economy of San Juan County. More income and wages are derived from nonagricultural employment such as manufacturing, government employment, transportation and trade occupations. A study published in 1954 has shown that income derived from net profits in agriculture is relatively

small in San Juan County. All county income was estimated to total \$3,124,000 in 1952 but agriculture returned a net of only \$212,000, according to a Washington State College study. In ten categories of income sources from wages, property and investments, agriculture accounted for slightly less than 7 percent and ranked seventh. Wages and profits from manufacturing in fish canning, lumber mill employment and other industrial jobs in which islanders work within and outside the islands is the main source of income. Government employment is second, this including persons on federal, state and county payrolls and also schools. Government activities such as the Coast Guard and Customs of the federal government and state agencies such as the University of Washington, Washington State Ferries and State Parks and Forestry Divisions have important payrolls in San Juan County.

Table 28.-- Types and Sources of Income 1950-1952, San Juan County 1/

Type and Source of Income	Income In Dollars By Years			Percentage of County Income by Years		
	1950	1951	1952	1950	1951	1952
Agriculture	\$ 211,000	\$ 132,000	\$ 212,000	8.1	4.9	6.8
Construction	34,000	57,000	76,000	1.3	2.1	2.4
Government	391,000	587,000	642,000	15.0	21.8	20.6
Manufacturing	543,000	549,000	695,000	20.8	20.4	22.2
Service	189,000	168,000	175,000	7.2	6.3	5.6
Transportation, Communication and Utilities	153,000	203,000	293,000	5.8	7.5	9.4
Trade	328,000	354,000	345,000	12.6	13.2	11.0
Miscellaneous	63,000	59,000	58,000	2.4	2.2	1.9
Property Income	238,000	251,000	268,000	9.1	9.3	8.6
Other Income	461,000	330,000	360,000	17.7	12.3	11.5
Total	\$2,611,000	\$2,690,000	\$3,124,000	100.0	100.0	100.0

1/ John A. Guthrie and Stanley E. Boyle, County Income Payments in Washington, 1950-1952. Pullman, Wash. Washington State College, Bulletin No. 26.

Level of Living on San Juan County Farms

San Juan County farm families were above the national average and equal to the state average in levels or standards of living in 1950. Average farm family net income was \$2,340 compared with a state average of \$2,380. In San Juan County rural electrical service reached 96 percent of all farm places and is above national and state averages. Use of electrical household appliances, however, is below state average. Use of telephones includes 85 percent of all farm families and is above the general farm home level of the nation and state. Housing is below averages of the state in numbers of rooms per person and in use of central heating. A considerable number of small summer homes are only occupied seasonally or occasionally. Farmer ownership of automobiles and trucks is equal to the state average.

On the whole, farm people such as those in San Juan County have not enjoyed a level of living as high as city people. Farm incomes measured in dollars received for labor or goods sold average lower than urban incomes.

City people also have readily available more conveniences. Because of isolation and widely scattered locations of homes it is more difficult for farmers to get electrical, telephone, sewer, running water and even highway service. These are often too costly for private utility companies and government to provide for all rural residents. In numerous cases, incomes in some regions are too low for farmers to put in their own electrical, water and other service conveniences which people living in compact city neighborhoods take for granted.

Table 29.- Indices of Level of Living of San Juan County Farm Families, 1950 Compared with State and National Averages

Index Items	Percentage of total farm families with listed index items		
	United States	Washington	San Juan County
Farm Family Level of Living	122.0	154	154
Median Income per Family	\$1,567	\$2,380	\$2,340
Electricity	78.3%	92.5%	95.9%
Electric Hot Water Heater	17.4	49.1	13.1
Electric Washing Machine	58.7	85.4	88.1
Home Freezers	12.1	14.5	22.4
Mech. Refrigerators	62.7	77.4	65.8
Telephone	38.2	57.5	85.6
Hot and Cold Water Plumbing	23.8	70.4	71.1
Central Heating	18.1	17.8	7.9
Houses with More than One Person per Room	22.3	15.7	7.9
Automobiles	63.0	77.6	77.8
Travel 10 Miles or More to Trading Center	21.4	20.5	7.7

Sources: Walter L. Slocum and Carol L. Stone, The Farm People of Washington at Mid-Century, State College of Washington, Bulletin 557, February 1955, Pullman, Washington.

Livestock, poultry and dairy farms in the agricultural lands of the San Juan Islands contribute to the local and state economy. While minor in the entire county economy, agriculture is an important supplementary occupation for families employed in other industries or trades or living on retirement incomes. Agriculture contributes to the economic self-sufficiency of the islands where otherwise more food would have to be imported at increased costs. Many farms in this scenic region have a tradition of over 100 years and stand as monuments to early and recent pioneers who chose to follow an agricultural way of life in the San Juan Islands.